

# News from Ed Markey

**United States Congress**

**Massachusetts Seventh District**

**FOR IMMEDIATE RELEASE**

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## **UNENDING, SKYROCKETING HOME HEATING OIL PRICES REACH EMERGENCY RESERVE TRIGGER**

### ***Rep. Markey Asks President Bush for a Plan to Assist Consumers***

**WASHINGTON, DC** – For the first time ever home heating oil prices have climbed so high that they have triggered Presidential emergency discretion to release product from the regional Northeast Home Heating Oil Reserve. This has led Rep. Markey (D-MA), author of the bill that established this little-noticed cushion against home heating oil market dislocations, asks President Bush whether he intends to use his discretion. In a letter sent to the White House today, Rep. Markey requested information from the President on the release of the home heating oil reserve:

“Yesterday, for the first time ever, the Northeast experienced sustained levels of home heating oil prices high enough to trigger the exercise of your discretion to protect heating oil consumers by releasing product from the Northeast Home Heating Oil Reserve. Accordingly, I am writing to request information regarding your plans with respect to the release of home heating oil from the Reserve – the only existing regional product reserve for home heating oil. As the author of the amendment that created the Reserve, I am interested in knowing how you intend to make use of the Reserve to help address the skyrocketing energy prices already facing New England energy consumers.”

The Reserve, established by Congress, ensures that consumers in the Northeast who depend on home heating oil during the winter months are not victimized by market dislocations creating price or supply emergencies. Last week, President Bush was quick to react to concerns from oil refiners, endorsing a bill that would provide giveaways to Big Oil refiners in light of Hurricane Katrina. With home heating oil costs high enough to trigger the release of emergency supplies Representative Edward J. Markey (D-MA), a senior Democrat on the House Energy and Commerce Committee is asking President Bush to respond with the same alacrity to the concerns of consumers. “If a crisis exists that presumably forms the basis for your support for emergency legislation for the refinery industry, then why would you not act to protect families facing soaring heating oil prices in the Northeast based on your own documentation that the trigger for the emergency release of heating oil from the Northeast Reserve has been reached?” stated the letter sent from Rep. Markey to the White House.

The Northeast Home Heating Oil Reserve was created by Rep. Markey in 2000, as part of the Energy Policy and Conservation Act. The Reserve is designed to provide enough heating oil to cover a ten-day supply disruption and cushion consumers against home heating oil market dislocations which the

Department of Energy estimated would cover the time it took to ship heating oil up to the Northeast from the Gulf of Mexico.

Earlier this week, the Department of Energy's (DOE) Energy Information Administration (EIA) released its "Short-Term Energy Outlook and Winter Fuels Outlook". This report projects that home heating oil prices are likely to rise by 31.5% this winter, compared to prices paid last winter. This translates into an average consumer expenditure of \$1,577 for home heating oil this winter, an increase of \$378 over the average of \$1,199 paid last winter. In the event of a colder than normal winter – which is quite possible in light of current projections from the National Weather Service – consumers could see home heating oil expenditures rise to an average of 1,893 this winter, \$774 more than last winter. These expenditures are well above the average of \$865 paid by consumers for home heating oil during the winters between 1999 and 2004.

For more information on the letter sent today or Markey's work on affordable energy check out:  
[www.house.gov/markey](http://www.house.gov/markey).

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